

## U.S. House Passes Rep. Ryan's Currency Reform for Fair Trade Act

(Washington, DC) – Today, Congressman Tim Ryan (OH-17) applauded passage of his legislation, the Currency Reform for Fair Trade Act (H.R. 2378), in the U.S House of Representatives by a vote of 348-79. This far-reaching, bipartisan legislation has been supported by legislators, manufacturers, union officials and members across the country. The bill must now be approved by the U.S. Senate and signed by the President before it becomes law.

**“I’ve spent nearly six years pushing to get this bipartisan bill passed, and today’s vote sends a strong signal to the U.S. manufacturing industry that Congress will NOT give up fighting on behalf of American jobs,”** stated Congressman Ryan. **“If this risks upsetting the People’s Republic of China, so be it. Whether you’re a Democrat or a Republican, a liberal or a conservative – millions of good-paying jobs have been lost and hundreds of thousands of families across this country have suffered as a result of China’s unlawful trade policies. With this bill, we take one more step towards bringing currency manipulators to justice and providing support for American manufacturers and everyone who continues to invest in the American dream.”**

The Congressman’s comments on the House floor today are available online.

To celebrate passage of the bill, Congressman Ryan also held a bipartisan press conference today with House Ways and Means Committee Chairman Sander Levin (MI-12) and Reps. Tim Murphy (PA-18), Marcy Kaptur (OH-09), Don Manzullo (IL-16), Peter Welch (VT-At Large), Betty Sutton (OH-13), Jason Altmire (PA-04), Mike Rogers (MI-08), John Boccieri (OH-16), Kathy Dahlkemper (PA-03), and Tom Perriello (VA-05).

### H.R. 2378

The Currency Reform Fair Trade Act (H.R. 2378) was introduced to protect American manufacturers from currency misalignment. H.R. 2378, which does not single out any one country in particular, directs the U.S. Department of Commerce to treat currency undervaluation as a prohibited export subsidy. When any foreign government deliberately undervalues its currency, the U.S. government can respond by imposing reasonable countervailing duties or antidumping measures. The bill was introduced in May 2009 and currently has 159 co-sponsors.

### China's Currency Manipulation

According to the International Monetary Fund, the U.S. Treasury Department, and the congressionally-chartered U.S.-China Economic and Security Review Commission, as well as many noted economists, China's currency, the Renminbi (RMB), is significantly undervalued—as much as 40 percent by some accounts. The protracted undervaluation of the RMB by the People's Republic of China contributes significantly to China's large trade imbalance with the U.S., makes China's exports to the U.S. artificially cheaper than if China allowed its currency to appreciate to its true level, makes U.S. exports to China artificially more expensive in the Chinese market, and hampers U.S. competitiveness in third-country markets where U.S. exports go head-to-head with Chinese exports for sales. At the same time, dollar investments made in China receive an artificial bonus, promoting the outsourcing of American production and jobs. As a result, products made in America have been undercut by Chinese goods, which are effectively subsidized by the Chinese government's policy of manipulating the

value of its currency. In an apparent effort to deflect the demands of its trading partners, Beijing announced it was revaluing the RMB a few days before the opening of the G-20 summit in June 2010. Since that time, however, the RMB has appreciated less than one percent on a nominal basis.

China's contravention of established trade laws has imposed significant hardship on American manufacturers and workers and continues to imperil our economic recovery. Economist Paul Krugman has written that China's "is the most distortionary exchange rate policy any major nation has ever followed." Fred Bergsten of the Peterson Institute for International Economics believes that resolution of this issue could create as many as 1 million American jobs. A report by the Economic Policy Institute concluded that between 2001 and 2008, **2.4 million jobs were lost and thousands of workers were displaced in every U.S. congressional district as a result of China's currency manipulation and unfair trade policies.**

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